

INTRODUCTION TO FINANCIAL PLANNING

Financial planning is the process of managing your finances in line with your life goals. Life goals can include buying a home, managing your and your children's wellbeing, saving for their education or planning for your retirement.

A financial planning process involves gathering your financial information, setting life goals, examining your current financial status and coming up with a strategy or plan for how you can meet your goals given your current situation and future plans and reviewing this on an ongoing basis.

Where do you start?

You first need to determine with whom you should consult. There are many different Financial Advisors including: an Independent Financial Advisor (IFA); a Life Assurance Agent; a Financial Advisor from a Bank; an Accountant; and an Attorney.

Whilst you can seek guidance from any number of people, only Registered Financial Service Providers (FSP's) are able to give formal advice and they are regulated and need to follow strict planning and advice guidelines.

It is therefore recommended that all members avail themselves with proper qualified and professional guidance from an Authorised Financial Services Provider, who will be able to construct a portfolio of investment and insurance suited to their individual needs and affordability, while taking into account the provisions enjoyed under their Employer's arrangements for them. Dealing with an Independent Financial Advisors offers a degree of:

- Independence – not tied to any one institution;
- Objectivity – not product driven. Focus on the Financial Plan;
- Professionalism – can elect to pay fees rather than commission, or a combination of both;
- Product Choices – have access to a wider range of products suitable for your needs;

Aspects of Financial Planning include:

INDIVIDUAL FINANCIAL PLANNING: It is prudent not to view your Employer provisions in isolation from your own personal / individual financial planning provisions. It is therefore recommended that all members avail themselves with proper qualified and professional guidance from an Authorised Financial Services Provider, who will be able to construct a portfolio of investment and insurance suited to their individual needs and affordability, while taking into account the provisions enjoyed under their Employer's arrangements for them.

RETIREMENT PLANNING: As part of such portfolio, the Financial Planner should include a Retirement Plan that embraces both the Employer sponsored retirement funding as well as the individual arrangements.

RETIREMENT COUNSELLING: As members approach retirement (three to five years ahead) it is recommended that they avail themselves of proper qualified and professional guidance from an Authorised Financial Services Provider, who will provide them with details of the many options and choices that they have to consider at retirement, as well as provide them with illustrative values of their projected Retirement Capital and the pension income that may be derived from such capital. It should be borne in mind that each person retiring will have different circumstances and requirements at retirement.